

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 12/31/2005

	As of <u>12-31-05</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,506,661,068	\$ 1,458,148,767
INTERNATIONAL EQUITIES	769,348,562	751,581,435
DOMESTIC FIXED INCOME	1,781,920,397	1,627,107,621
INTERNATIONAL FIXED INCOME	154,386,556	144,258,400
REAL ESTATE POOL	267,570,061	216,275,745
VENTURE CAPITAL	129,059,979	123,797,307
INVESTED CASH (NOTE 1)	<u>118,626,638</u>	<u>68,245,056</u>
 TOTAL INVESTMENTS	 4,727,573,261	 4,389,414,331
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	20,743,675	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	0	7,403,583
MISCELLANEOUS RECEIVABLES	<u>6,478</u>	<u>2,188</u>
 TOTAL RECEIVABLES	 20,750,153	 29,015,298
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,471,671	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	13,269	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
 TOTAL ASSETS	 <u><u>\$ 4,757,821,518</u></u>	 <u><u>\$ 4,428,437,941</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	3,362,995	3,464,962
ACCRUED EXPENSES	474,441	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>13,266</u>	<u>89,903</u>
 TOTAL LIABILITIES	 3,860,252	 4,006,419
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	231,315,131	302,922,897
CASH OUT DURING YEAR (NOTE 7)	145,309,170	298,051,573
NET INCREASE (DECREASE)	<u>243,523,783</u>	<u>444,123,714</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,753,961,266</u>	 <u>4,424,431,522</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 4,757,821,518</u></u>	 <u><u>\$ 4,428,437,941</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 12/31/2005

	Month Ended <u>12-31-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 12,268,951	\$ 59,217,672
SECURITIES LENDING INCOME	<u>1,803,850</u>	<u>9,786,681</u>
	14,072,801	69,004,353
 GAIN ON SALE OF INVESTMENTS	 75,025,219	 320,258,247
LOSS ON SALE OF INVESTMENTS	<u>14,002,625</u>	<u>110,503,971</u>
 NET GAINS (LOSSES) INVESTMENTS	 61,022,594	 209,754,276
 INVESTMENT EXPENSES	 531,623	 6,963,760
SECURITIES LENDING EXPENSES	<u>1,733,162</u>	<u>9,271,559</u>
 NET INVESTMENT INCOME	 72,830,610	 262,523,310
 NET APPREC (DEPREC) MARKET VALUE	 1,089,289	 9,553,092
MISCELLANEOUS INCOME/(EXPENSE)	<u>(742)</u>	<u>(739,463)</u>
 TOTAL INVESTMENT INCOME	 73,919,157	 271,336,939
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,672,831	 18,979,500
PURCHASED SERVICE CREDIT (NOTE 9)	200,032	1,331,297
PENALTY & INTEREST (NOTE 10)	<u>1,344</u>	<u>1,974</u>
 TOTAL ADDITIONS	 <u>79,793,364</u>	 <u>291,649,710</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,566,394	45,617,882
PARTIAL LUMP SUM BENEFITS PAID	0	21,045
REFUNDS TO MEMBER (NOTE 12)	<u>250,532</u>	<u>1,386,511</u>
 TOTAL BENEFITS PAID	 7,816,926	 47,025,438
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	78,086	476,292
OPERATING EXPENSES	54,651	624,197
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>132,737</u>	 <u>1,100,489</u>
 TOTAL DEDUCTIONS	 <u>7,949,663</u>	 <u>48,125,927</u>
 NET INCREASE (DECREASE)	 <u>\$ 71,843,701</u>	 <u>\$ 243,523,783</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
December 31, 2005

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
12/31/2005

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.